



AMERICAN FARM BUREAU FEDERATION[®]

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VIA FACSIMILE
202-225-8798

June 14, 2005

The Honorable William M. Thomas
United States House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515

Dear Representative Thomas:

The American Farm Bureau Federation applauds the House Ways and Means Committee for scheduling action on the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR). As a member of the committee we would urge you to oppose any amendment that would undermine or nullify provisions of the agreement, particularly those dealing with sugar access under CAFTA-DR, and to support committee passage.

This agreement is important for American farmers and ranchers. Farm Bureau's economic analysis predicts that after full implementation U.S. agricultural exports to this region would increase by \$1.5 billion per year. These benefits reach across all sectors of U.S. agriculture, from the livestock and grain sectors to fruits and vegetables.

Currently 99 percent of agricultural exports from this region of the world enter the United States duty free due to the Caribbean Basin Initiative. This agreement would provide U.S. agriculture the same duty-free treatment. CAFTA-DR would eliminate the 15-to-43-percent tariffs we face entering these markets, providing greater advantages over our competitors.

We encourage you to oppose any sugar amendment that would impair this agreement and cause its failure. We recognize that there is a minor impact on the U.S. sugar industry due to additional sugar imports to the United States allowed under the agreement. We believe any impact would be minimal. Our trade negotiators have provided adequate protections for the U.S. sugar industry under this agreement. Further, we urge you to oppose any other amendments that would also undermine or nullify provisions of the agreement.

This agreement does hold real benefits for U.S. agriculture. Failure to allow this agreement to move forward and achieve passage will be at the disadvantage of America's farmers and ranchers. We urge you to support committee passage.

Sincerely,

Bob Stallman
President